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October 2, 2024

Alexandria Hicks  
Certificate of Need Program  
State of Alaska  
3601 C Street, Suite 978  
Anchorage, AK 99503-5924

Subject: Certificate of Need Application Clarification Request

Dear Ms. Hicks,

I have received your letter, dated September 26, with a request from the Office of Rate Review for clarification pertaining to Schedule I, Projected Income Statement for Foundation Health Partner's August 26, 2024 CON Application. Attached is the Schedule with the Revenue line changed to note inpatient and outpatient. Also attached for clarification is the paragraph from page 8 of the Application to note the Estimated amount to reflect \$7,400,000, as it is noted throughout the rest of the application.

Once we receive word from you that the application is declared complete, we will have copies available at Foundation Health Partners and at the Fairbanks Public Library. Also, once declared complete, we will work towards setting the date for the Public Hearing on this matter.

Thank you for your assistance in this matter, please let us know if you have any questions or should need anything further.

Sincerely,

A handwritten signature in blue ink that reads "Shelley D. Ebenal".

Shelley D. Ebenal,  
Chief Executive Officer

Enclosures: noted clarifications

**Section II. Summary Project Description**

Fairbanks Memorial Hospital seeks to implement a PET-CT service line. The proposed modality is a Siemens Biograph 450. The proposed service area for this project is the Fairbanks North Star Borough and surrounding areas of the Alaska interior. The project will be up to 3,500 square feet in size with a total cost not to exceed \$7,400,000. The completion date for the project is on or before December 2026.

Clarification:  
Certificate of Need Application, page 35

**Projected Income Statement**

				<b>Post Implementation</b>		
	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Revenues:</b>						
IP Net Patient Service Revenue	141,568,453	146,098,643	150,773,800	155,598,562	160,577,716	165,716,202
OP Net Patient Service Revenue	212,352,679	219,147,965	226,160,700	234,804,758	242,742,461	250,684,678
Other Revenue	11,951,374	12,130,645	12,312,604	12,497,293	12,684,753	12,875,024
Provision for Doubtful Accounts						
Total Net Operating Revenues	365,872,506	377,377,253	389,247,104	402,900,613	416,004,930	429,275,904
<b>Expenses:</b>						
Salaries & Benefits	202,054,592	210,136,776	218,542,247	227,283,937	236,375,294	245,830,306
Other Operating Expenses	57,909,094	59,067,276	60,248,621	62,319,077	63,396,949	64,575,002
Supplies	46,091,616	47,704,823	49,374,491	51,556,199	53,495,989	55,422,781
Depreciation & Amortization						
Rental & Leases	41,059,820	41,881,017	42,718,637	43,573,010	44,444,470	45,333,359
Management fees						
Total Operating Costs	347,115,122	358,789,891	370,883,996	384,732,221	397,712,702	411,161,448
Interest from Operations						
Interest income Net						
Net Income	18,757,384	18,587,362	18,363,108	18,168,392	18,292,228	18,114,456